

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WISCONSIN

In re:) Chapter 11
ARCHDIOCESE OF MILWAUKEE,)
Debtor.) Case No. 11-20059-SVK
_____))
_____)

**THIRD MONTHLY FEE REQUEST OF
PACHULSKI STANG ZIEHL & JONES LLP,
COUNSEL FOR THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR THE PERIOD JUNE 1, 2011 THROUGH JUNE 30, 2011**

Pursuant to the *Court's Order Granting Debtor's Motion to Establish Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, Pachulski Stang Ziehl & Jones LLP ("PSZJ") hereby submits its Third Monthly Fee Request (the "Application"). PSZJ requests payment of fees and expenses in the following amounts for the period June 1, 2011 through June 30, 2011:

Total Fees Requested: **\$114,411.20** (80% of the total fees: \$143,014.00)
Total Expenses Requested: **\$ 9,313.32** (100% of total expenses)
Total Fees and Expenses Requested: **\$123,724.52**

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Attached hereto and incorporated by reference herein are the time and expense descriptions which support the amounts claimed.

1. On January 4, 2011 (the “Petition Date”), the Archdiocese of Milwaukee (the “Debtor”) filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the “Code”).

2. On or about January 24, 2011, the United States Trustee appointed the Committee to represent the Debtor’s unsecured creditors pursuant to 11 U.S.C. §1102(a)(1).

3. On February 5, 2011, the Committee filed an application with this Court for authorization to employ PSZJ pursuant to 11 U.S.C. 328, 504, 1102 and 1103, and Federal Rules of Bankruptcy Procedure 2014 and 2016.

4. On February 24, 2011, this Court entered an order authorizing the Committee to employ PSZJ as counsel for the Committee effective as of January 25, 2011.

5. PSZJ has rendered services during the period June 1, 2011 through June 30, 2011 (the “Compensation Period”) totaling 236 hours.

6. PSZJ maintains contemporaneous records of the time expended for the professional services and expenses performed in connection with this chapter 11 case. These records are maintained in the ordinary course of PSZJ’s business. These records provide a detailed description of the services rendered and expenses incurred during the

Compensation Period for which this Application is being made. A summary of PSZJ's fees and expenses during the Compensation Period in the sum of \$152,327.32 is marked as **Exhibit A**.¹ This summary also contains a breakdown of fees according to subject matter categories relating specifically to this chapter 11 case. PSZJ notes that its fees and expenses are customary charges made to other firm clients in the ordinary course of PSZJ's billing practice, with the exception of the reduction of James I. Stang's, Alan J. Kornfeld's, and Kenneth H. Brown's hourly billing rates to \$650.

7. To assist the Court in its review of PSZJ's fees, **Exhibit B** contains PSZJ's bill for the Compensation Period. **Exhibit C** to this Application contains a summary of PSZJ's bill, separated into the following billing categories:

a. Asset Analysis/Recovery: (Total hours: 9.7, total fees \$4,699.00):

During the Compensation Period, PSZJ coordinated the Committee's financial advisor (Berkeley Research Group, LLP ("BRG")) and its computer consultant (Business Management International ("BMI")) in the analysis required of the Debtor's electronic financial system, Great Plains. PSZJ also discussed with BRG and the Debtor's bankruptcy counsel issues concerning the Debtor's production of the DLS electronic data, which provides certain detail for the Debtor's general ledger. PSZJ investigated the Debtor's ownership interests in

¹ For the purposes of this fee application, PSZJ has capped its fees at a rate of \$650 without prejudice to its right to seek compensation at a future time for the full hourly rate that it charges other clients. For James I. Stang, that current rate is \$895 per hour; for Alan J. Kornfeld, that current rate is \$825 per hour; and for Kenneth H. Brown, that current rate is \$750 per hour.

the Cousins Center and discussed the issue with the Debtor's bankruptcy counsel. PSZJ also conducted legal research regarding Chantalle trusts and related state law concerning the rights of bona fide purchasers of trusts. PSZJ continued discussions with Debtor's counsel regarding production of information responsive to the Committee's Rule 2004 motion for the production of documents.

b. Bankruptcy Litigation: (Total hours 24.7, total fees \$14,725.00):

PSZJ attended the June 1, 2011 evidentiary hearing concerning the Debtor's motion to continue its mediation program and the Debtor's motion concerning confidentiality procedures. Additionally, PSZJ revised and edited proposed orders regarding the items heard during the June 1 hearing. In addition, PSZJ prepared its reply in support of its motion for relief from stay to take certain depositions (which motion the Court heard on July 15, 2011). Finally, PSZJ continued its analysis of the adversary proceeding complaint prepared regarding the cemetery trust, including telephone conferences with plaintiff's counsel in that adversary proceeding and with the Debtor's bankruptcy counsel.

c. Case Administration: (Total hours: 0.6, total fees \$330.00): PSZJ

lawyers limited their case administration work to editing the memorandum of critical dates in the case and handling upkeep of the toll-free number for creditors to utilize in order to obtain information about this bankruptcy case.

d. Claims Admin/Objections: (Total hours: 130.3, total fees \$82,015.00): PSZJ's focus in this category was on the Debtor's bar date motion. That motion required PSZJ to analyze issues particular to a bar date involving not only abuse survivors but also deaf abuse survivors. PSZJ worked with its expert witness in preparation of his expert report, his deposition, and his expected testimony before the Court. PSZJ also prepared to depose the Debtor's designated expert. PSZJ prepared examination outlines and its approach for the June 22, 2011 hearing on the bar date motion. Thereafter, PSZJ engaged in extensive settlement negotiations with the Debtor's counsel and the U.S. Trustee regarding the bar date motion, and attended the June 22 hearing thereon. Finally, PSZJ reviewed the proposed order on the motion and conferred with the Debtor's counsel regarding same.

e. Compensation of Professionals: (Total hours: 3.7, total fees \$2,045.00): During the Compensation Period, PSZJ reviewed and edited its bills, and prepared its monthly fee applications for April and May 2011.

f. Compensation of Prof./Others: (Total hours: 1.8, total fees \$990.00): PSZJ reviewed the invoice from e-Stet, the company that maintains the parties' document database loaded on Relativity. PSZJ also reviewed the fee applications of the Debtor's counsel and noticing agent. PSZJ emailed with the

Committee's other professionals at BRG and BMI regarding their respective fee applications.

g. Financing: (Total hours: 2.1, total fees \$1,155.00): PSZJ continued to request that the Debtor provide necessary information with its monthly operating reports. PSZJ also discussed the issue with with the Committee's financial advisors, BRG.

h. General Creditors Comm.: (Total hours: 9.0, total fees \$5,000.00): In this category, PSZJ has billed its time spent preparing for and conducting weekly phone calls with the Committee. In addition, PSZJ has billed the time it has spent preparing substantive summaries of fact and law for Committee members' consideration prior to these weekly Committee meetings. This category also includes PSZJ's time updating the creditor website at www.pszjlaw.com.

i. Non-Working Travel: (Total hours: 19.0, total fees \$12,350.00): PSZJ incurred time for non-working travel for partners traveling (1) from Seattle to Los Angeles after the deposition of Jon Conte, the Committee's expert witness on the bar date motion; and (2) between Los Angeles and Milwaukee for the June 22, 2011 bar date motion hearing.

j. Relief from Stay: (Total hours: 21.2, total fees \$11,920.00): This category involved work relating to the Committee's motion for limited relief from

stay in order to permit the deposition of aged and infirm witnesses to sexual abuse in the Archdiocese of Milwaukee. PSZJ reviewed the Debtor's opposition papers and prepared a written reply. In addition, PSZJ discussed the motion with the Debtor's counsel and with state court counsel (who joined in the motion).

k. Retention of Prof./Other: (Total hours: 13.9, total fees \$7,785.00):

PSZJ handled the Debtor's limited objections to the Committee's application to employ BRG as its financial advisors, including the drafting of a reply in support of that employment application. Additionally, PSZJ revised the application for the Committee to retain BMI as computer consultants. Finally, PSZJ revised the Committee's application to employ Morgan Lewis & Bockius LLP as special counsel, and conferred with Morgan Lewis' attorneys regarding edits to the application.

8. PSZJ also requests reimbursement of expenses expended during the Compensation Period in the sum of \$9,313.32, as set forth in the summary attached as **Exhibit D**. PSZJ notes that these expenses are customary charges made to other of PSZJ's clients in the ordinary course of its billing practice.

9. PSZJ avers that it has not received any compensation for services rendered and expenses incurred during the Compensation Period.

Without regard to the Compensation Period, PSZJ has not represented any entity in this case having an adverse interest to the Committee.

WHEREFORE, PSZJ prays this Court to enter an Order in the form attached hereto as **Exhibit E** granting PSZJ compensation from June 1, 2011 through June 30, 2011 in the amount of **\$114,411.20** (which constitutes 80% of the total amount of PSZJ fees incurred during the Compensation Period), and reimbursement of expenses expended from June 1, 2011 through June 30, 2011 in the sum of **\$9,313.32**, for a total of **\$123,724.52**.

Dated: August 4, 2011

Respectfully submitted,

PACHULSKI STANG ZIEHL & JONES LLP

By /s/ Gillian N. Brown

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